

Exception to tenant representation on some housing authority boards

HB 424 by Christian (Staples)

DIGEST: HB 424 would have exempted, under certain circumstances, a municipality that has a housing authority with 300 or fewer units from the requirement that the municipality appoint at least one tenant as a commissioner of the housing authority. To be exempt, a municipality would have had to make a reasonable effort to recruit eligible tenants to serve as commissioners, receive no positive response from tenants within 30 days, repeat the recruitment effort annually, and notify the Texas Department of Housing and Community Affairs of the results.

The bill would have prohibited a housing authority from using funds to pay lobbying expenses. A person who violated this prohibition would have committed a Class A misdemeanor, punishable by up to one year in jail and/or a maximum fine of \$4,000.

GOVERNOR'S REASON FOR VETO: "As originally filed, House Bill No. 424 would have appropriately provided local public housing authority boards with more flexibility and would have made state standards for tenant representation conform with current federal standards.

"An amendment added to House Bill No. 424 would have imposed a restriction on a housing board's ability to hire legal counsel. This overly broad and unnecessary restriction could lead to the boards receiving less effective, and more costly, legal representation."

RESPONSE: Rep. Wayne Christian, the bill's author, said: "I was disappointed that this bill was vetoed, but I understand that an amendment added to the bill went beyond the original intent of the legislation."

Sen. Todd Staples, the Senate sponsor, had no comment on the veto.

Rep. Eddie Rodriguez said: "The governor's veto of HB 424 comes as no surprise. The purpose of the offending amendment (which was also filed as HB 2814 [by Rodriguez]) was to cast a standard statutory net over activities of public housing authorities which waste public funds and which result in inappropriate political activity. When stating the issue for our Legislative Council attorney, we wrote: 'Public housing authorities (PHAs) in Texas receive almost all of their operating subsidies from federal funding sources, while at the same time authority over policy relating to their activity has substantially been reserved to the Texas Legislature. In their effort to influence legislation in Texas, PHAs often use their federally funded resources to hire attorneys (lobbyists) to advocate against state efforts to improve their efficiency or otherwise increase the public benefit of their activity.'

"In an effort to provide direction to PHAs which is consistent with other subdivisions of government and proximate to that of Texas state agencies, the Legislative Council attorney used language which is identical to the lobbying

prohibition now in law concerning every county of the state, as well as every Texas municipality, school district, water district, transit authority, junior college or hospital district.

“There is one difference. My provision created a criminal penalty for using public funds to influence the legislature. Apparently the existing prohibition is something big law firms feel that they can deal with. A misdemeanor, on the other hand, makes big law firms, and apparently this governor, a little squeamish.”

NOTES: HB 424 was analyzed in Part Two of the April 28 *Daily Floor Report*.